

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

SB 3170 - HB 3622

March 12 2012

SUMMARY OF BILL: Requires a postsecondary institution, that was an eligible independent postsecondary institution and whose students received funding from the HOPE lottery scholarships prior to the enactment of Chapter 1142 of the Public Acts of 2008, to remain an eligible postsecondary institution so long as the institution maintains accreditation by the Southern Association of Colleges and Schools.

ESTIMATED FISCAL IMPACT:

On February 9, 2012, a fiscal note was issued for this bill with a fiscal impact of *Increase State Expenditures - \$630,000/Lottery for Education Account*. We have added assumptions to clarify the current status of students at the Art Institute of Nashville in relation to Lottery for Education Account expenditures. The fiscal impact is unchanged from the original fiscal note.

Increase State Expenditures - \$630,000/Lottery for Education Account

Corrected Assumptions:

- Under current law, students who attend the Art Institute of Tennessee – Nashville (AI) will become ineligible for the HOPE Scholarship at the end of the 2011-12 academic year. Therefore, absent any changes to the current law, there will be no expenditures for students attending AI in the 2012-13 academic year and subsequent fiscal years. If SB 3170/HB 3622 passes, then these students will continue to be eligible and lottery scholarship expenditures for 2012-2013 will increase approximately \$630,000 over what will be expended under current law.
- According to the Tennessee Student Assistance Corporation (TSAC), the estimated scholarship expenditures from the Lottery for Education Account in FY11-12 for students at the Art Institute of Nashville will be \$630,000.
- With the passage of this act, students from the Art Institute of Nashville will be eligible to receive Tennessee lottery scholarships in subsequent years.
- TSAC estimates that 125 students will qualify for an award of approximately \$5,040 (with summer usage) per student.
- The increase in state expenditures for students receiving the award will remain constant in subsequent fiscal years.

- The increase in state expenditures from the Lottery for Education Account will be \$630,000 (125 x \$5,040).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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